



December 11, 2007

Indiana Economic Development Corporation

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Jeffrey Wells, MD
Director of Medicaid
Family and Social Services Administration

Dear Dr. Wells:

Pursuant to IC 4-22-2-28, the Indiana Economic Development Corporation ("IEDC") has reviewed the economic impact analysis for small business associated with rule changes proposed by the Indiana Family and Social Services Administration ("FSSA") and contained in LSA Document 07-547, which amends 405 IAC 5-24-4 to revise the Medicaid reimbursement methodology for legend drug payment and removes references to the federal maximum allowable cost ("MAC") as a methodology for payment. Entities affected by the rule changes include approximately 1,200 Medicaid participating pharmacies. FSSA believes that less than half of these entities are small businesses.

The impact statement provided by FSSA indicates that the provisions of the rule will not create any new reporting costs or economic costs for affected entities. By amending existing rules so that the new federal MAC rates are not applied as a rate limiter, Medicaid reimbursement to pharmacies for multiple source drugs will continue to be sufficient to allow reasonable access by providers to drugs at or below the Medicaid reimbursement rate.. The IEDC does not object to the economic impact to small businesses associated with the rule changes.

If you have any questions about the comments contained herein please contact me at 232-8962 or rasberry@iedc.in.gov.

Regards,

Ryan Asberry
Assistant Vice President
Indiana Economic Development Corporation